

**WINN PARISH  
FIRE PROTECTION DISTRICT NO. 3**

**FINANCIAL REPORT  
DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/4/10

Winn Parish Fire Protection District No. 3  
Financial Report  
December 31, 2009

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### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Winn Parish Fire Protection District No. 3  
Winnfield, LA 71483

We have audited the accompanying financial statements of the governmental activities and each major fund of the Winn Parish Fire Protection District No. 3 (District), a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Winn Parish Fire Protection District No. 3 has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Johnson, Thomas & Cunningham, CPA's  
Johnson, Thomas & Cunningham, CPA's

May 17, 2010  
Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

Winn Parish Fire Protection District No. 3  
Statement of Net Assets  
December 31, 2009

	Governmental Activities
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$1,647,834
Investments	14,355
Revenue Receivable	<u>533,724</u>
Total Current Assets	<u>\$2,195,913</u>
Capital Assets-	
Non-depreciable	\$ 25,643
Depreciable (Net)	<u>1,686,851</u>
Total Capital Assets	<u>\$1,712,494</u>
Total Assets	<u>\$3,908,407</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 2,792
Payroll Related Liabilities	<u>2,784</u>
Total Liabilities	<u>\$ 5,576</u>
NET ASSETS:	
Invested in Capital Assets	\$1,712,494
Unrestricted	<u>2,190,337</u>
Total Net Assets	<u>\$3,902,831</u>

See notes to financial statements.

Winn Parish Fire Protection District No. 3  
Statement of Activities  
December 31, 2009

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Public Safety – Fire	<u>\$597,558</u>	<u>\$0</u>	<u>\$40,210</u>	<u>\$45,000</u>	<u>\$ (512,348)</u>
General Revenues:					
Taxes-					
Ad Valorem					
					\$ 513,266
Interest Earnings					
					21,039
Other					
					<u>17,723</u>
Total General Revenues					<u>\$ 552,028</u>
Change in Net Assets					<u>\$ 39,680</u>
Net Assets January 1, 2009					<u>3,863,151</u>
Net Assets December 31, 2009					<u>\$3,902,831</u>

See notes to financial statements.



## FUND FINANCIAL STATEMENTS

Winn Parish Fire Protection District No. 3  
Balance Sheet-Governmental Funds  
December 31, 2009

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Governmental Funds</u>
<b>Assets:</b>			
Cash & Cash Equivalents	\$1,647,834	\$ 0	\$1,647,834
Investments	9,153	5,202	14,355
Revenue Receivable	533,724	0	533,724
Due from Debt Service	<u>3,864</u>	<u>0</u>	<u>3,864</u>
Total Assets	<u>\$2,194,575</u>	<u>\$5,202</u>	<u>\$2,199,777</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 2,792	\$ 0	\$ 2,792
Payroll Liabilities	2,784	0	2,784
Due to General Fund	<u>0</u>	<u>3,864</u>	<u>3,864</u>
Total Liabilities	\$ 5,576	\$3,864	\$ 9,440
<b>Fund Balance:</b>			
Unreserved	<u>2,188,999</u>	<u>1,338</u>	<u>2,190,337</u>
Total Liabilities & Fund Balances	<u>\$2,194,575</u>	<u>\$5,202</u>	<u>\$2,199,777</u>

See notes to financial statements.

Winn Parish Fire Protection District No. 3  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
December 31, 2009

Total Fund Balance for the Governmental Funds at December 31, 2009	\$ 2,190,337
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. Those assets consist of:	
Non-Depreciable	25,643
Depreciable	3,897,107
Accumulated Depreciation	<u>(2,210,256)</u>
Total Net Assets of Governmental Activities at December 31, 2009	<u>\$ 3,902,831</u>

See notes to financial statements.

Winn Parish Fire Protection District No. 3  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Funds  
Year Ended December 31, 2009

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Governmental Funds</u>
REVENUES:			
Taxes	\$ 513,266	\$ 0	\$ 513,266
Intergovernmental-			
State Grant	3,731	0	3,731
Fire Insurance Rebate	36,479	0	36,479
State Homeland Security In-kind	45,000	0	45,000
Interest & Miscellaneous	<u>38,301</u>	<u>461</u>	<u>38,762</u>
Total Revenues	<u>\$ 636,777</u>	<u>\$ 461</u>	<u>\$ 637,238</u>
EXPENDITURES:			
Current-			
Public Safety – Fire	\$ 331,596	\$ 5,520	\$ 337,116
Capital Outlay	14,068	0	14,068
Capital Outlay – In-kind	<u>45,000</u>	<u>0</u>	<u>45,000</u>
Total Expenditures	<u>\$ 390,664</u>	<u>\$ 5,520</u>	<u>\$ 396,184</u>
Excess of Revenues over Expenditures	<u>\$ 246,113</u>	<u>\$ (5,059)</u>	<u>\$ 241,054</u>
OTHER FINANCING SOURCES (USES):			
Transfer-In	\$ 565,000	\$ 0	\$ 565,000
Transfer-Out	<u>0</u>	<u>(565,000)</u>	<u>(565,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 565,000</u>	<u>\$(565,000)</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 811,113</u>	<u>\$(570,059)</u>	<u>\$ 241,054</u>
Fund Balance-Beginning of Year	<u>1,377,886</u>	<u>571,397</u>	<u>1,949,283</u>
Fund Balance-End of Year	<u>\$2,188,999</u>	<u>\$ 1,338</u>	<u>\$2,190,337</u>

See notes to financial statements.

Winn Parish Fire Protection District No. 3  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2009

Net Change in Fund Balance-Governmental Funds	\$ 241,054
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period are	59,068
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(260,442)</u>
Net Change in Net Assets per Statement of Activities	\$ <u>39,680</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

1. Introduction:

Winn Parish Fire Protection District No. 3 was created on December 17, 1997, by a resolution of the Winn Parish Police Jury. The Winn Parish Fire Protection District No. 3 (the District) began operations on November 4, 1998, with the issue of \$2,250,000 in general obligation bonds. The District provides fire protection to all of Winn Parish outside of the city limits of the City of Winnfield and such area is comprised of a population of some 10,985 per latest population estimates. The District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statutes, including but not limited to LSA-RS 40:1491 to 40:1509.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Winn Parish Fire Protection District No. 3 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Reporting Entity-

As the governing authority of the Parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Winn Parish Fire Protection District No. 3  
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Because the police jury provided construction of fire protection facilities and related equipment for those facilities for the Winn Parish Fire District No. 3, the District was determined to be fiscally dependent on the police jury and accordingly is considered to be a component unit of the Winn Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation-**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**C. Fund Accounting-**

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The District maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and



Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for accumulation of resources for payment of general long-term debt principal, interest, and related costs.

D. Measurement Focus and Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
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The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

For purposes of the Statement of Net Assets, cash and interest-bearing demand deposits include all demand accounts, and time-deposits of the District.

Investments-

State statutes allow the Winn Parish Fire Protection District No. 3 to invest in United States bonds, treasury notes and bills, or certificates of time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost, which approximate market.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Firefighting equipment	10 years
Fire trucks	15 years
Other vehicles	5 years
Buildings	40 years

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

**Equity Classifications-**

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**Fund Financial Statements-**

Revenues are reflected in the fund financial statements by type of the major revenue sources.

Expenditures are reflected in the fund financial statements by the nature of the expenditure.

Other Financing Sources – Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received.

Grant revenues in both the GWFS and FFS are recognized when the District is entitled to the funds.

**F. Budget-**

The proposed budgets for the General and Debt Service Funds for the fiscal year ended December 31, 2009, were prepared using the modified accrual basis of accounting, were made available for public inspection and were adopted in December 2008. The original budget of the general fund was amended in December 2009.

All budgeted appropriations lapse at the end of each fiscal year. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

Budget amounts included in the required supplementary information to these financial statements are as originally adopted and finally amended.

G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, petty cash, and certificates of deposit. At December 31, 2009, the District had cash and cash equivalents (collected bank balances) totaling \$1,656,997. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at December 31, 2009, were secured as follows:

Cash	\$ 44,048
Certificates of Deposit	<u>1,612,949</u>
	<u>\$1,656,997</u>
FDIC	\$ 250,000
Pledged Securities	<u>1,406,997</u>
	<u>\$1,656,997</u>

Even though the pledged securities are considered uncollateralized (Category #3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. Investments:

At December 31, 2009, investments held by the District consist of \$14,355 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP by the District is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

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LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

5. Capital Assets:

A summary of the charges in capital assets for the year ended December 31, 2009, is as follows:

Governmental Activities	Balance 01-01-09	Additions	Deletions	Balance 12-31-09
Capital Assets Not Depreciated:				
Land	\$ 20,643	\$ 5,000	\$0	\$ 25,643
Capital Assets Depreciated:				
Building & Improvements	392,411	40,000	0	432,411
Fire Equipment	3,417,899	14,068	0	3,431,967
Office Equipment & Furniture	<u>32,729</u>	<u>0</u>	<u>0</u>	<u>32,729</u>
Total Assets	<u>\$3,863,682</u>	<u>\$ 59,068</u>	<u>\$0</u>	<u>\$3,922,750</u>

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

<u>Governmental Activities</u>	<u>Balance 01-01-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-09</u>
Less, Accumulated Depreciation:				
Building & Improvement	\$ 78,663	\$ 13,454	\$0	\$ 92,117
Fire Equipment	1,844,361	244,958	0	2,089,319
Office Equipment & Furniture	<u>26,790</u>	<u>2,030</u>	<u>0</u>	<u>28,820</u>
Total Depreciation	<u>\$1,949,814</u>	<u>\$ 260,442</u>	<u>\$0</u>	<u>\$2,210,256</u>
Net Capital Assets	<u>\$1,913,868</u>	<u>\$(201,374)</u>	<u>\$0</u>	<u>\$1,712,494</u>

Depreciation expense of \$260,442 was charged to the public safety function.

6. Due From/To Other Funds:

At December 31, 2009, amounts due from and to other District funds are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$3,864	\$ 0
Debt Service	<u>0</u>	<u>3,864</u>
Total	<u>\$3,864</u>	<u>\$3,864</u>

The interfund balances resulted from normal settlements between funds.

7. Compensated Absences:

The District does not carry forward leave from year to year, therefore no entry is made to record compensated absences.

8. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in June or July and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed. The Winn Parish Sheriff's office bills and collects property taxes using the assessed values determined by the Tax District of Winn Parish.

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

The largest taxpayers of the District are:

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Weyerhaeuser	\$ 4,866,217	10.1%
Entergy	4,626,730	9.8%
West Fraser	3,997,694	8.5%
Plum Creek Timber	1,924,382	4.1%
Arcline USA	<u>1,468,390</u>	<u>3.1%</u>
Total	<u>\$16,883,413</u>	<u>35.6%</u>

The following taxes were levied for 2009:

	<u>Millage</u>
General Fund – Operations & Maintenance	12.0

The property taxes receivable at December 31, 2009, recorded in the governmental funds represents amounts due the District for taxes assessed on January 1, 2009, but remitted subsequent to December 31, 2009, by the Winn Parish Sheriff, the ex-officio tax collector. The property tax receivables required no allowance for doubtful accounts, as all amounts were deemed collectible.

9. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2009.

10. Expenditures made by the Winn Parish Police Jury:

The Winn Parish Police Jury has constructed various fire protection facilities in the Winn Parish Fire District under grants by the Police Jury. In addition, the Police Jury has purchased some fire protection equipment at the facilities it constructs. At the conclusion of the construction of these facilities, the Winn Parish Fire District has assumed the operations and maintenance of such facilities and equipment under an intergovernmental agreement.

11. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2009.

12. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

Winn Parish Fire Protection District No. 3  
Notes to Financial Statements  
December 31, 2009

13. Receivables - General Fund:

The following is a summary of receivables at December 31, 2009:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-	
Ad Valorem	<u>\$533,724</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

14. Post-Employment Benefits:

The District does not provide any post-employment benefits, therefore no disclosure for GASB No. 45 is required.



**OTHER REQUIRED  
SUPPLEMENTARY INFORMATION**

Winn Parish Fire Protection District No. 3  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Tax	\$ 420,000	\$ 541,023	\$ 513,266	\$ (27,757)
Intergovernmental-				
2% Fire Rebate	35,000	36,479	36,479	0
Grant-State	4,000	3,731	3,731	0
State Homeland Security In-kind	0	0	45,000	45,000
Interest	22,000	17,300	20,578	3,278
Other	<u>1,500</u>	<u>16,723</u>	<u>17,723</u>	<u>1,000</u>
Total Revenues	<u>\$ 482,500</u>	<u>\$ 615,256</u>	<u>\$ 636,777</u>	<u>\$ 21,521</u>
EXPENDITURES:				
Salaries	\$ 175,000	\$ 118,805	\$ 110,262	\$ 8,543
Payroll Taxes	45,000	35,624	9,639	25,985
Office Expense	12,000	10,300	11,130	(830)
Utilities/Utilities	15,000	13,500	11,698	1,802
Insurance	40,000	57,800	57,685	115
Equipment & Supplies	30,000	43,000	34,656	8,344
Vehicle Repair & Maint.	25,000	45,000	38,242	6,758
Building Repair & Maint.	2,500	22,350	23,469	(1,119)
Vehicle Fuel	18,000	8,600	8,875	(275)
Legal/Advertising	600	425	378	47
Audit & Accounting	3,850	4,235	10,835	(6,600)
Training & Vol. Reimbursement	25,000	13,350	13,300	50
Other Labor	12,600	7,665	0	7,665
Miscellaneous	4,000	1,625	1,427	198
Capital Outlay-Other	0	0	14,068	(14,068)
Capital Replacement	50,000	50,000	0	50,000
Capital Outlay - In-kind	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>(45,000)</u>
Total Expenditures	<u>\$ 458,550</u>	<u>\$ 432,279</u>	<u>\$ 390,664</u>	<u>\$ 41,615</u>

Continued next page

Winn Parish Fire Protection District No. 3  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues over Expenditures	\$ 23,950	\$ 182,977	\$ 246,113	\$ 63,136
OTHER FINANCING SOURCES (USES):				
Transfer-In	<u>0</u>	<u>0</u>	<u>565,000</u>	<u>565,000</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 23,950	\$ 182,977	\$ 811,113	\$628,136
Fund Balance-Beginning of Year	<u>1,377,886</u>	<u>1,377,886</u>	<u>1,377,886</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,401,836</u>	<u>\$1,560,863</u>	<u>\$2,188,999</u>	<u>\$628,136</u>

See accountant's report.

Winn Parish Fire Protection District No. 3  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2009

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Interest	\$ <u>0</u>	\$ <u>461</u>	\$ <u>461</u>
EXPENDITURES:			
Bond Principal Payments	\$ 0	\$ 0	\$ 0
Interest Payments	0	0	0
Miscellaneous	<u>0</u>	<u>5,520</u>	<u>5,520</u>
Total Expenditures	\$ <u>0</u>	\$ <u>5,520</u>	\$ <u>5,520</u>
Excess of Revenues over Expenditures	\$ <u>0</u>	\$ <u>(5,059)</u>	\$ <u>(5,059)</u>
OTHER FINANCING SOURCES (USES):			
Transfer-Out	\$ <u>0</u>	\$ <u>(565,000)</u>	\$ <u>(565,000)</u>
Deficiency of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ (570,059)	\$ (570,059)
Fund Balance-Beginning of Year	<u>571,397</u>	<u>571,397</u>	<u>0</u>
Fund Balance-End of Year	<u>\$571,397</u>	<u>\$ 1,338</u>	<u>\$ (570,059)</u>

See accountant's report.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
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### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Winn Parish Fire Protection District No. 3  
Winnfield, LA 71483

We have audited the financial statements of the governmental activities and each major fund of the Winn Parish Fire Protection District No. 3 (District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financing reporting.

A deficiency in internal control exists when the design or operations of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District's management, the Louisiana Legislative Auditor, and interested state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's  
Johnson, Thomas & Cunningham, CPA's

May 17, 2010  
Natchitoches, Louisiana

Winn Parish Fire Protection District No. 3  
Schedule of Findings & Questioned Costs  
Year Ended December 31, 2009

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Winn Parish Fire Protection District No. 3.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Winn Parish Fire Protection District No. 3 were disclosed during the audit.

B. Financial Statements Audit

No findings.

C. Prior Year Findings

No findings.